



DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

27 MAY 1997

CECG

MEMORANDUM FOR Commander, South Pacific Division

SUBJECT: Division Restructuring

1. Reference:

- a. Public Law 104-206.
- b. HQUSACE CECG memo dated 31 March 1997, subject: Division Restructuring Implementation Guidance
- c. CESPD-DE memo dated 2 May, 1997, subject: South Pacific Division Transition Plan

2. This headquarters has completed its review of the restructuring plan submitted in reference 1c. Your plan is approved for execution consistent with the comments which follow.

3. General comments for all division commanders:

a. The pace of change. Each commander has presented a timeline which aggressively implements the new organizational structure. I appreciate the work that went into developing your plans and commend all of you for the personal support you are investing to ensure the plan becomes a reality. However, I want to emphasize that there is no need to rush into this restructuring. It is my intent that the pace of transition to this new structure be deliberate and measured. I want you to ensure we are properly taking care of our people who may be impacted by these changes as well as keep interested parties informed of our progress. So pace yourself to do this right; it is more important that we do this smart rather than fast.

b. Resourcing. I also want to make it clear that I expect real savings in General Expenses (GE) funding, GE full time equivalent (FTE) staffing, and Operations and Maintenance, Army (OMA) funding to emerge from this restructuring. Some commanders have asked for staff increases. I am willing to consider modest increases in specific situations where individual division staff workload has truly been increased. But these increases will be made in a zero-sum environment, achieved through cross leveling throughout the Corps. There will be no net increase in overall Corps staffing levels. You need to understand and plan for the fact that division staffs will likely decrease in size even more over the next few years. Further guidance is

End

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provided in paragraph 4 below.

c. Information management. The alignment of our automated information systems (AIS) within the new organizational structure is the most complex aspect of this restructuring. We have identified 36 separate, Corps-wide systems that require changes. Many of these are interconnected, sharing data with external Department of Army systems and other Corps systems. Converting these systems to the new EROC, UIC, and office symbols will be time consuming and will directly impact your execution timeline. I have appointed a task force to determine the best way to accomplish this. This task force will publish a detailed conversion schedule by mid-June. Other AIS issues:

(1). The CEAP cap and billing algorithm will remain as currently structured for the remainder of FY97. The FY98 guidance will align billing with the new Division structure. CEAP circuit relocations and upgrades will be based on individual requirements of impacted Divisions.

(2). For districts transferring from one division to another, the transfer of FY97 AIS data and other electronic records will be made to the gaining division. For divisions giving up districts, plans must be developed to archive prior year AIS data and electronic records at the current location (to include the regional Omaha and Chicago offices). These plans will be submitted along with the plan for records management as requested in CEIM-IR memo, dated 4 April 1997, subject: Division Restructuring Implementation - Records Management Impact.

(3). POC for information management issues is Ms. Cathy Sheridan, CEIM-L, (202) 761-0468.

d. FY99 Civil Works Operations and Maintenance roll-up. AIS systems will not be converted to the new structure in time to meet the FY99 Civil Works O&M Budget submittal suspense of 20 June. Consequently, districts who now report to a new division headquarters will prepare their submittals in coordination with that new division. Submittals will be made, however, according to the old MSC structure. District and MSC offices are currently engaged in putting their budget submittals into the O&M Automated Budget System (ABS). The budget will be arranged according to the new MSC organizational structure by HQUSACE after the division budget submittals have been received.

4. Resourcing:

a. Fiscal Year 1997 OMA funds for division office staffing were distributed to the MSCs at the beginning of the fiscal year. There are no funds remaining in the headquarters for that purpose, nor were any additional OMA funds appropriated specifically for MSC restructuring.

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Further, Fiscal Year 1998 budget guidance issued earlier this year depicts a 20 percent overall reduction in funding compared with Fiscal Year 1997. Every effort must be made to constrain operating costs within current budgetary guidance. Any requirements over and above the current budgetary guidance must be accommodated through the Unfinanced Requirement (UFR) process through Resource Management channels.

b. Fiscal Year 1998 GE funding and staffing guidance has been developed based on headquarters review of division restructuring plans, the President's Budget request of \$148 million, and projected outyear funding levels. This FY 98 funding guidance as well as a five-year resourcing plan will be provided under separate cover.

c. Restructuring Costs (\$000): Restructuring implementation costs totaling \$2.6 million Civil (GE) and \$1 million Military (OMA) were submitted. In some cases, requests for funds duplicated or referred to requirements identified in the joint GE/OMA Mid-Year Review. In other cases, requirements were not clearly related to the restructuring effort, and will require further review and coordination with your staff to determine the appropriate source and level of funding needed as events unfold. The amounts shown for FY 97 will be allocated shortly; any additional requirements for FY 97 and FY 98 will require further justification incrementally as funds are needed, such as the actual number and cost of approved VERA/VSIPs, prior to allocation of funds. However, to the extent funds are available, valid restructuring and related costs will be funded. Additional requests should be presented to the Directorate of Resource Management, ATTN: CERM-B, for review and coordination with Civil Works and Military Programs Directorates as appropriate.

d. SPD specific GE and OMA staffing and restructuring funding guidance:

	<u>FY 97</u>	
	<u>FTE</u>	<u>\$000</u>
Requested GE:	N/A	301
Approved GE:		30*
Requested Other Civil:	N/A	50
Approved Other Civil:		0
Requested OMA:		116*
Approved OMA:		0

*Your request for \$200K VERA/VSIP for outyears not supported at this time based on current and projected staffing levels. District portion of transitional travel for program coordination should be borne by the district; \$30K funds \$25K Civil Division Office travel and \$5K for revising maps.

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7. POC, this headquarters, MG Russ Fuhrman, (202) 761-0099 or COL Rick Mogren, (202) 761-0108.



JOE N. BALLARD
Lieutenant General, USA
Commanding

cf: Commander, Southwestern Division